DRN-5518908

The complaint

Mr K complains about the problems he had when instructing Financial Administration Services Limited (trading as Fidelity) to sell units in holdings within his investment accounts. He says the failure to execute his instructions when requested has caused him losses.

What happened

On 31 January 2024, Fidelity wrote to Mr K to explain a fund he is invested in (I'll call the J fund) would be closing on 10 April 2024. It gave him options to consider. Firstly, to request a fund switch, and secondly to do nothing and if it hadn't received any instructions by 8 April 2024, it said it would move the money into cash when the fund closes.

On the same day he received another message from Fidelity about a separate fund (I'll call the B fund). This also explained this fund would be closing, but the closure date was slightly later on 22 April 2024. Again, Mr K was given options. He was able to switch to another fund, or if he did nothing and if Fidelity hadn't received any instructions by 18 April 2024, it would move the money in to cash when the fund closes.

On 5 April 2024, Mr K attempted to sell his holdings in the J fund online, but he received an error message so couldn't sell his holdings as he intended.

On 7 April 2024, Mr K raised a complaint with Fidelity about the problems he had experienced in trying to sell holdings in the J fund. He requested that it gave him the highest unit price for the period between 5 April and when his units were compulsory redeemed.

On the 16 April 2024, Mr K attempted to sell his holdings in the B fund. But he experienced similar error messages when trying to sell online. On the same day he raised a separate complaint about the sale issues with this holding. He asked to be given the highest price between 17 April and the compulsory redemption.

In June 2024, Fidelity issued a complaint response to Mr K. This covered both of the holdings that he had experienced problems selling. In summary it said:

- It acknowledged Mr K had been trying to sell his holdings in the J fund on 5 April 2024 and his units in the B funds on 16 April, but hadn't been able to. It apologised that a technical glitch on its webpage meant Mr K was unable to place the deals on his preferred dates. It advised him he could have contacted its client services, and they could have placed the deal on his behalf on the days he wanted to trade.

- It also confirmed the J fund was sold on 9 April 2024, and the B fund was sold on 22 April 2024. Letters dated 10 April 2024 and 23 April 2024 confirming the above were sent to him.

- Its online terms state that Fidelity makes no warranty or representation that the service can be accessed at all times. The service may be temporarily unavailable or restricted for administrative or other reasons and Fidelity does not accept any responsibility or liability for any loss or damage. It didn't offer a deal correction or loss of interest in this instance.

- It apologised for any distress and inconvenience it may have caused Mr K due to the technical issues encountered. It paid him £50 in compensation for this.

Mr K didn't accept this response and raised further points with Fidelity, which were responded to. But as no resolution could be reached, the complaint was referred to this service for an independent review.

One of our investigators looked into the complaint, but didn't think Fidelity needed to do anything further. In summary she said:

- She didn't think Fidelity needed to adjust the unit price to the highest price available during the period between the intended and actual sale dates. For the J fund the difference in price was a loss £0.12 due to not trading on 5 April, and for the B fund the later sale led to Mr K making a gain of £5.82. Overall, she didn't find Mr K was financially disadvantaged as a result of not being able to place his instructions online on the intended day.

- Fidelity should have communicated more about the technical error affecting customers ability to trade online.

- While using the online platform was Mr K's preferred method of placing instructions, once the error occurred, he could have used the telephone option to trade.

- The offer of compensation paid by Fidelity is fair in the circumstances, so it doesn't need to pay anything further.

Mr K didn't agree with the outcome, and requested an ombudsman reaches a decision on his complaint. In summary he said:

- He didn't agree that both fund sale issues should be considered together, and believes they should be dealt with separately, and his complaint has been merged without his authorisation.

- Fidelity's failings have been ignored, and it has breached its regulatory obligations in the way it handled the situation when he was attempting to sell his holdings.

- It hasn't been explained why he wasn't financially disadvantaged because Fidelity did not give him his money when he asked for it, or why his claim for lost investment opportunities has been dismissed.

- The compensation offered isn't fair. It doesn't recognise the disruption in service. He questions why he isn't entitled to compensation for the business failures. Fidelity's platform failed twice, causing him prolonged distress.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I recognise Mr K's strength of feeling about this complaint, and he has made detailed submissions. I want to reassure him that I have considered everything he has sent. And I hope he won't think I am being discourteous, but I will not be addressing all of the points he has made in detail. While I will not be addressing every single point, I have fully considered them and am satisfied that my findings below address the substance of the arguments that have been put forward.

I acknowledge Mr K's points about what he sees as breaches of Fidelity's regulatory obligations. I've taken into account the relevant obligations in the circumstances when considering what is fair and reasonable. I would also like to be clear my role isn't to punish or sanction Fidelity. Where I find something has gone wrong, I looked to see what needs to be done (if anything) to put the consumer back in the position they would be but for the mistake.

Mr K's complaint centres around two sale requests on funds he held with Fidelity. I understand that he initially complained about these instances separately, and was unhappy that Fidelity responded jointly on the issues. In response to the investigator, he again raised this as we have looked at the events under the same complaint.

The circumstances that led to the complaint are very closely related and while separate events (and relating to different funds) they did occur close together. Also, the underlying issues are closely aligned - including the technical error that prevented the online sale requests from being actioned was the same issue on both occasions. So, I'm satisfied it is appropriate to consider both sale requests as part of the same complaint. I don't think this is to Mr K's detriment as both events have been considered fully, and based on the relevant circumstances.

It's clear Mr K had problems when attempting to sell his units in both the J fund and the B fund. He expected he would be able to fulfil a sale request online on the day he made his requests. Fidelity has acknowledged that it was experiencing a technical issue that meant online trading was not possible for either fund on the days Mr K was attempting to sell. It has explained this was due to a system limitation rather than an error, as it prevented clients from placing sell orders online.

I acknowledge Fidelity's points about there being other methods of trading open to Mr K. But the lack of information provided to Mr K about the reasons why his online trades weren't accepted meant it isn't clear how he would have understood the problems only related to online trades. Fidelity has admitted the message displayed to clients simply indicated a technical error without providing a clear explanation that the deal could only not be placed online. So, there doesn't seem to be a dispute that Fidelity failed to effectively communicate to Mr K. In these circumstances, I think it should have helped Mr K to understand there was only a problem with trading his units online, and trading was possible using other methods.

As explained above, where there is a failing identified, we look to put the consumer back in the position they would have been but for that error. In the circumstances of this complaint, this means looking to see if Mr K would have received a higher amount if his trade was completed as expected on the days he made his requests. I've seen details for the pricing of the funds at the relevant times. This indicates if Mr K had traded the J fund on 5 April, he would have received more, but this is a minimal difference of 12 pence. But for the B funds, if it had traded on 16 April 2024, Mr K would have actually received less than he actually did, so in fact he made a gain of just under £6.

While I could ask Fidelity to pay Mr K 12 pence for the loss on the J fund, I don't find this to be reasonable in the circumstances. I say this mainly because the difference is so small, but I'm also conscious he has made a much larger gain on the other fund (and I'm not persuaded he needs to return this to Fidelity). While I fully appreciate the two transactions are completely separate, looking in the round, I'm not persuaded Mr K has suffered a financial loss due to the fact he wasn't able to trade either fund on his intended day. I note there weren’t any delays until the default sales were implemented, which meant Mr K had access to his funds only a few days later. He hasn’t provided any evidence to persuade me that these funds would have been reinvested sooner if he had traded earlier. So again, I haven’t found he has suffered a loss here. Also, any interest he lost out on from the sold units in the B fund, has been more than offset by the gain he made due to the later sale. And for similar reasons as just mentioned, I don’t think he has lost out materially on interest from the units he sold in the J Fund, by receiving the money a few days later.

I have gone on to consider the practical and emotional impact of Fidelity’s handling of the situation on Mr K. I think Mr K has clearly been caused upset and frustration, as well as inconvenience. Mr K doesn’t think the £50 in compensation that has been paid to him is adequate. Having considered the circumstances, I find the impact suffered does full into the lower end of the type of awards I can make. I think it is reasonable for Fidelity to pay some compensation. But I’m also conscious that both the situations were resolved fairly quickly in terms of the sales being executed. Although, I accept Mr K wasn’t aware at this point if the issues had caused him a loss or not. I've carefully considered everything, but I'm not satisfied that further compensation needs to be paid. Therefore it follows, I find the offer made by Fidelity is fair and reasonable in the circumstances. As it has already paid this it doesn’t need to do anything further.

My final decision

For the reasons provided, I don’t uphold this complaint, or require Financial Administration Services Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr K to accept or reject my decision before 18 December 2025.

Daniel Little
Ombudsman